Broadcasting Governance

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Developments in Broadcasting

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Model 1 - Government & Regulation

- RELATIONSHIP BETWEEN CONTROL, PUBLIC INTEREST/GOOD, TECHNOLOGY/ECONOMIC UNDERPINNINGS
- National sovereignty
- State/public service monopoly broadcaster for television/radio
- Control access, censorship constraint, guide
- Public good: In addition, communication networks are non-rival - a distinguishing characteristic of public goods consumption of the services offered does not diminish the availability of the services or goods for others.
- Monopoly: economically not feasible to duplicate service

Traditional regulation - negative

- Prohibitions on obscenity, protection of children,
- Ownership control (FDI, cross ownership)

Traditional regulation – positive regulation

- Social and cultural values (political expression)
- Public interest (democracy)
  - Diversity
  - Universality
  - Quality
  - Equity
- Public Service Broadcasting
- Local content - “merit good”

Assumptions underlying evolving models

- Broadcasting governance debates often make assumptions about :
  - Democracy/regular change of government
  - Freedom of expression/access to information
  - Independent regulation
- State broadcasting, often only radio
- State often unable to support public provisioning
- Unwilling to permit private provisioning, sometimes with controls – no news
- Rationale for public interest approach is role of independent media in enhancing governance, development and “voice”.
- Current reach of broadcasting, particularly radio.

Broadcasting, governance & development

- Correlation between six good governance indicators and development indicators such as per capita income (Kaufmann, D. 2003 *Governance Redux: The Empirical Challenge*, World Bank, Washington.)
- “Poor public governance central and binding constraint to growth ahd development.”
- Growth dividends may be as high as 400 percent for a single standard deviation improvement in governance.
- Effective citizenship: information is power and traditional asymmetries of information between governments/elites and poor could be exacerbated unless there are special effort around inclusion of marginalised.
- Amartya Sen – no substantial famine in country with democratic form of government and free press -2004 World Press Freedom Day

Reform drivers

- Globalisation - change in nature of state – regional blocs, social movements;
- Political: shift to/inclusion of private interest but not control – establishment of specialised regulatory agency manage public interest in competitive environment
- Technological: digitisation, compression, more efficient spectrum usage, improved transmission, Internet; convergence of telecommunications and television
- Economic: Liberalisation of markets, competition, choice
- Cultural/Political: Internationalisation of content

Model 2 - Governance

Governance as national/regional system of values, policies, institutions by which a society manages its economic political and social affairs through interaction between state, civil society and private sector. Reflected in constitution, Bill of Rights…democracy, freedom of expression, defamation….Development, national building, reconstruction.

Governance of sector - regulation: rules of operation, gives expression to social, cultural values, ensuring diversity, national identity eg. Local content, independent production, cross media control, foreign ownership,- public service, private, community broadcasting (radio) Ratonale spectrum scarcity

Corporate governance –strategic oversight, transparency, accountability. Appointment process, funding, sustainability

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Competitive regulation

- Regulation as ecology understanding the relationship between funding, viewership, rights.
- Environment conducive to investment – independent regulator
- Free to Air vs. Pay TV - restrictions on advertising revenue
- Limitation on rights – sports of national interest.
- Economic realities of developing markets – collapse of GTV, IPTV operator in South Africa not operational
- Must carry rules – public broadcasting channels on multichannel operators.
- Limitations on vertically integated producers, distributors, operators

Drivers

- Digital television
- Audio visual via Internet
- New digital delivery platforms result in channel proliferation & competition
- Fragmentation end of mass audiences

Regulatory quid pro quo rationale

- New distributional channels undermine economic and technological basis of regulation (private use of scarce spectrum)
- Pursuit of profits will compromise public goals.
- Fundamental broadcasting rationale those using scarce spectrum required to fulfill public interest obligations.
- In exchange protection form multiple entrants.
- Maintaining consolidated mass audiences for commercial broadcasters by erecting artificial regulatory barriers to entry.
- Digital compression/transmission greater spectrum efficiency

(See Bosland 2007)

Technological neutrality

- TWF Directive confined to TV broadcasting defined as “the initial transmission by wire or over the air, including by satellite…of television programmes intended for reception by the public”.
- On demand (point-to-point) services specifically excluded - covered by e-commerce directive and protection of minors directives and general law.
- TV services made available by non-broadcasting means regulated differently from identical services that are broadcast - including negative content rules

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Regulatory asymmetry

- Do nothing other than illegal audio visual content - blocked but ISPs e.g. Internet Watch Foundation (IWF) and Cleanfeed
- Self regulation/co-regulation
- Principle of any intervention (negative regulation)
  - Harmful vs offensive.
  - Evidence based
  - Produce a net benefit
  - Be proportionate
  - Be enforceable.

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Multiple channels - end of regulation?

- Multichannelling enables niche programming to satisfy diverse interests economic reality suggests only limited number of channels can be supported by mass audience.
- No mass audiences to deliver to advertisers
- Overall programming cost per audience member goes up (less profitable revenue to cost ratio lead to programming cost cuts).
- SDTV (UK) vs HDTV (Australia)

Model 3 - Proposals to extend regulation to digital environment?

- Private obligations - expenditure and transmission quotas
- CRTC local content fund contributions from ISPs matched by government
- Australia precluded from adopting any regulatory measures in relation to the internet if “readily available” Australian content exists.
- Public Service Publisher to commission and distribute multichannel content as a safeguard public broadcasting in the digital age
- Open access regime?

Further drivers – convergence

- Liberalisation of telecommunications market: technological innovation
- IP (“Triple play”)
- Broadband
- Mobile
- Anything, across any platform, always on
- Audience producers and receivers of content
- **Underpinned about assumptions around affordable bandwidth largely not applicable to Africa**.

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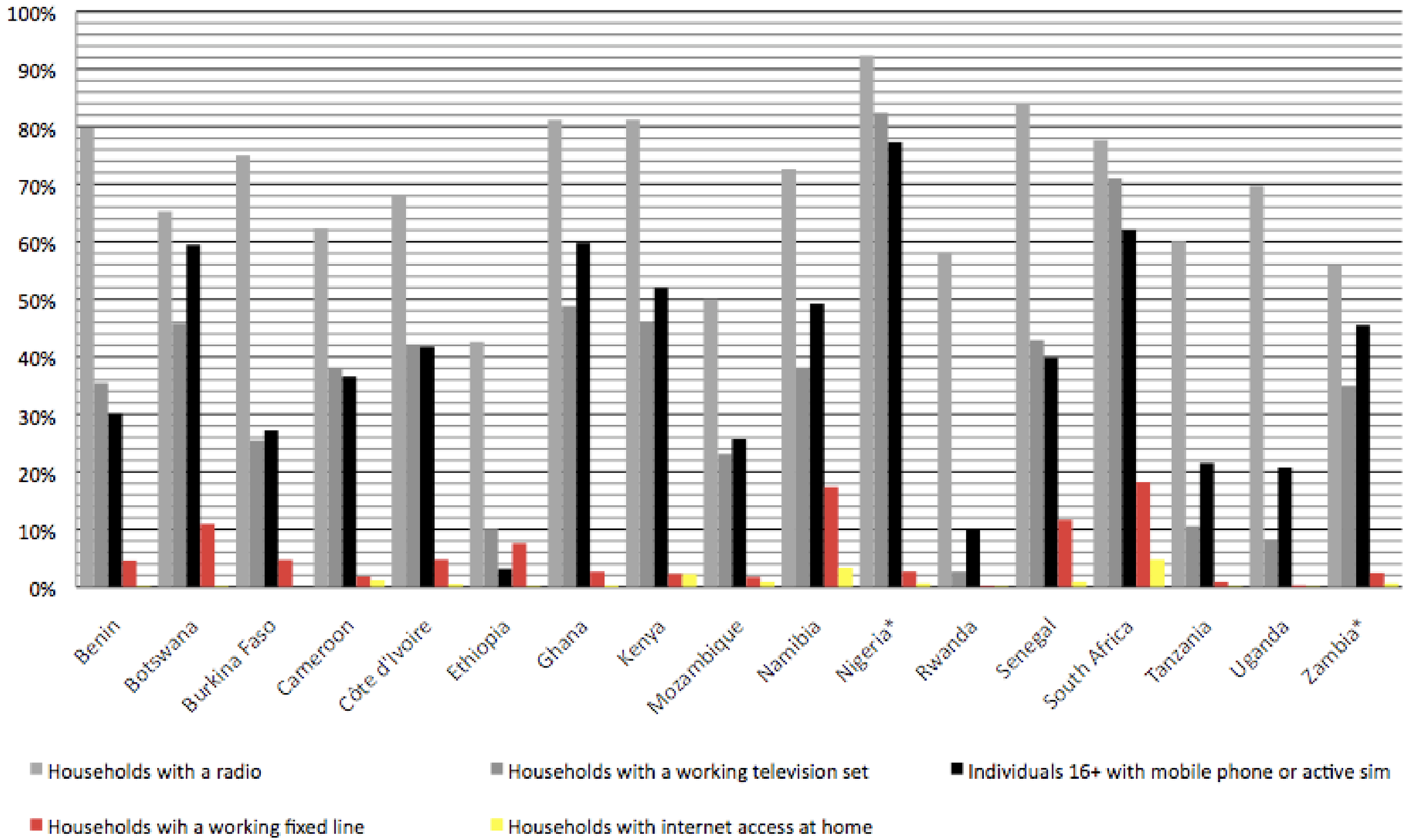
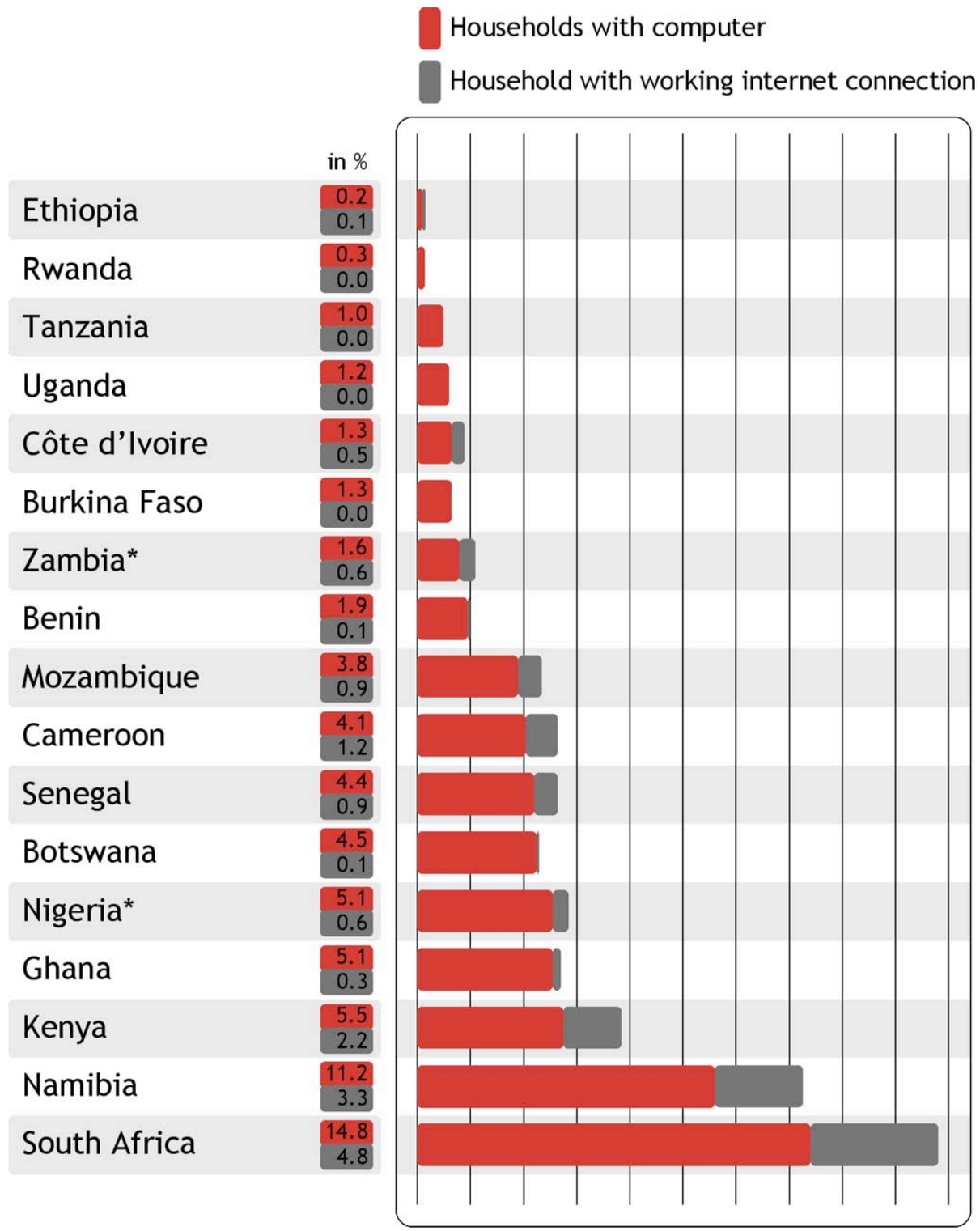
Availability of communications service in 17 African countries



* Results for Zambia and Nigeria are extrapolations at the national level but are not nationally representative



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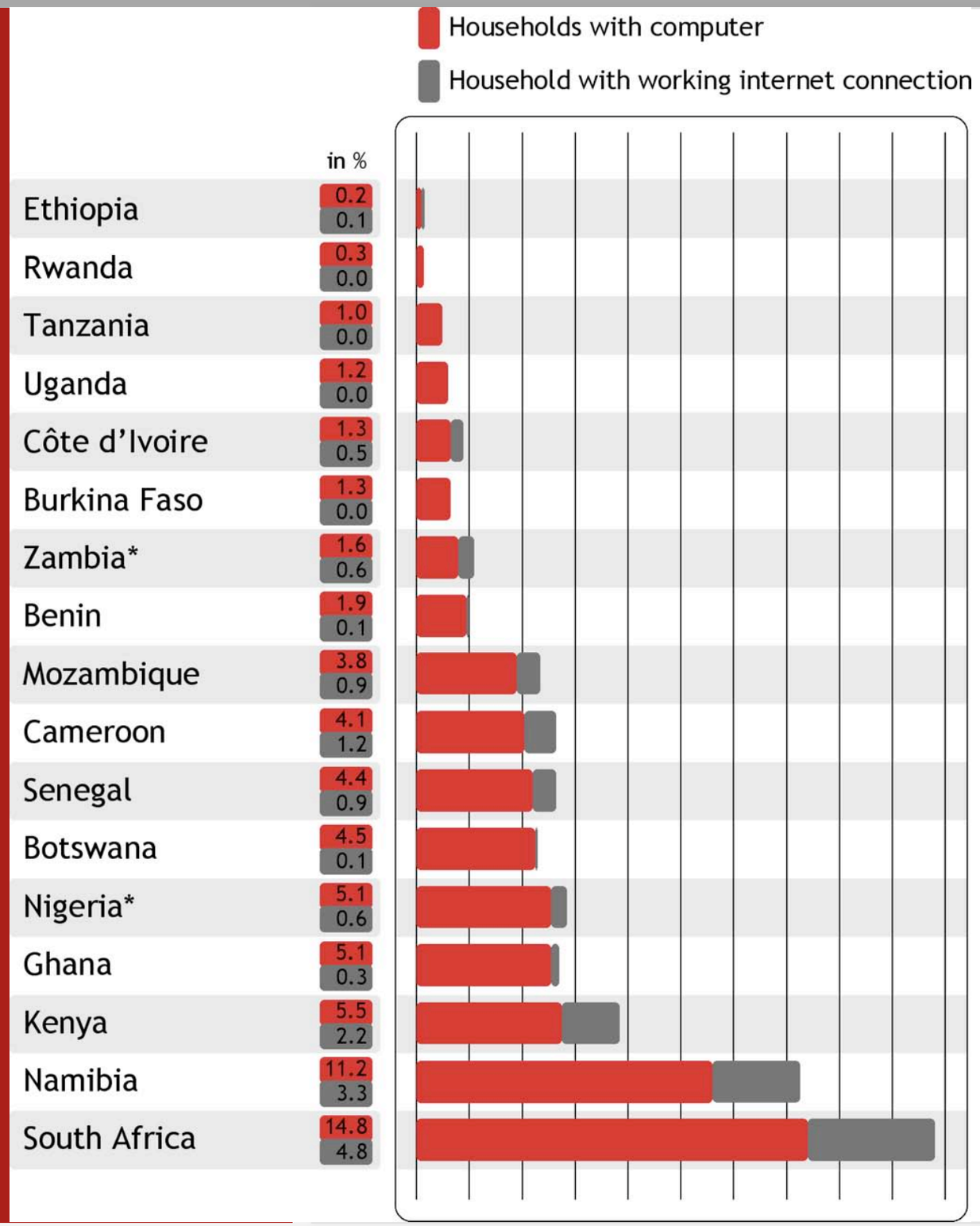

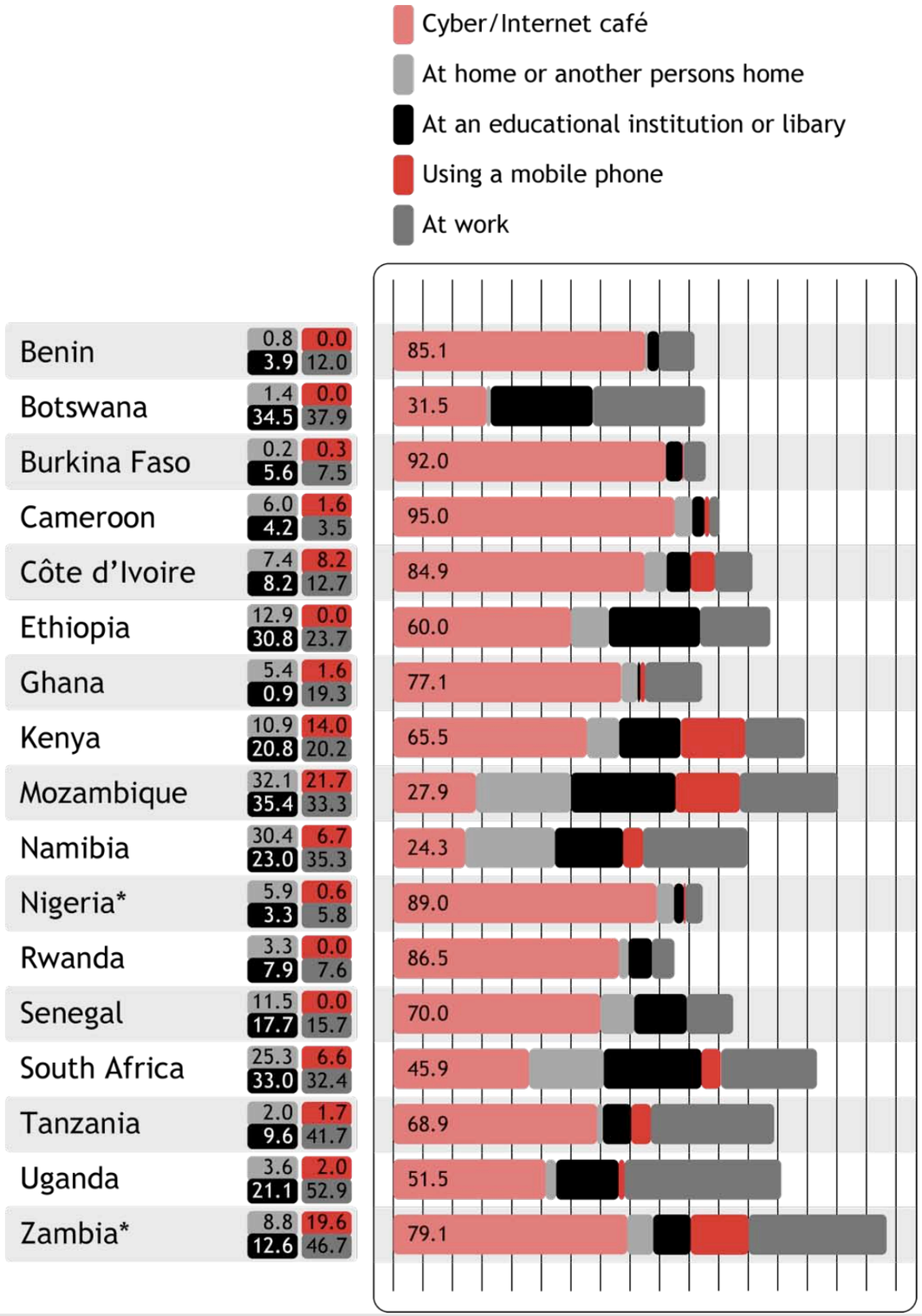

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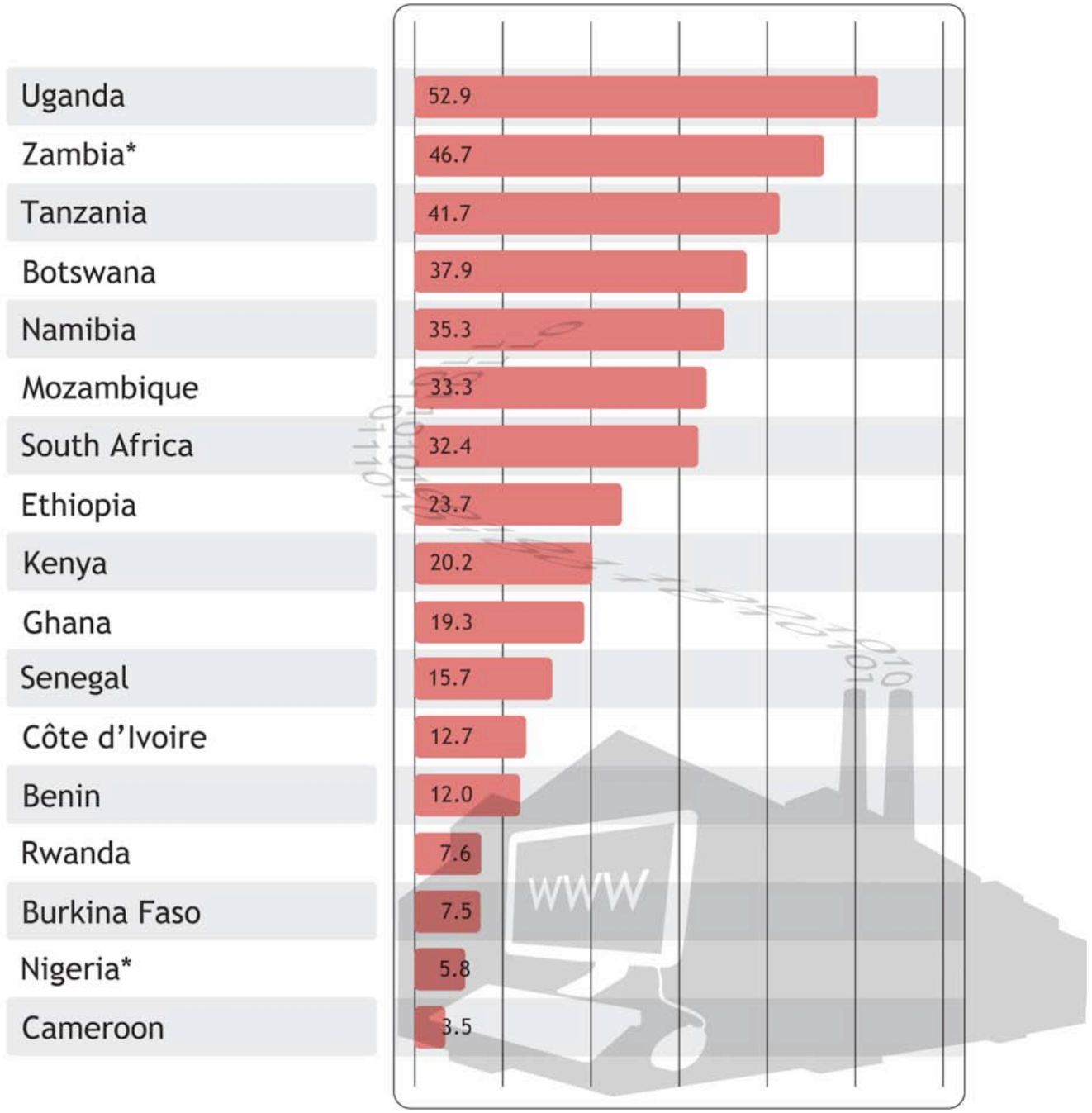
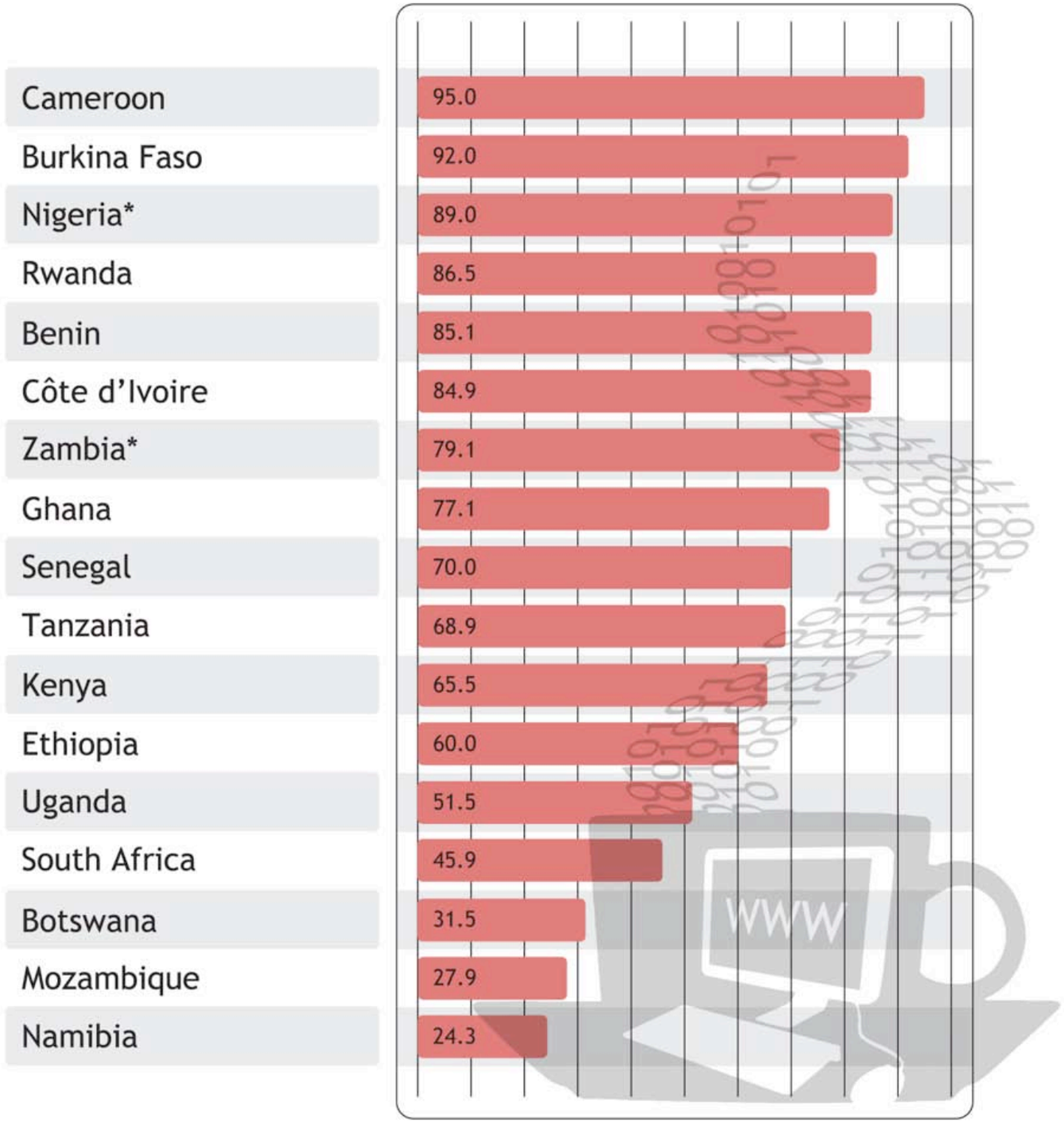
Individuals using Internet from work



Individuals using Internet from Internet Cafe



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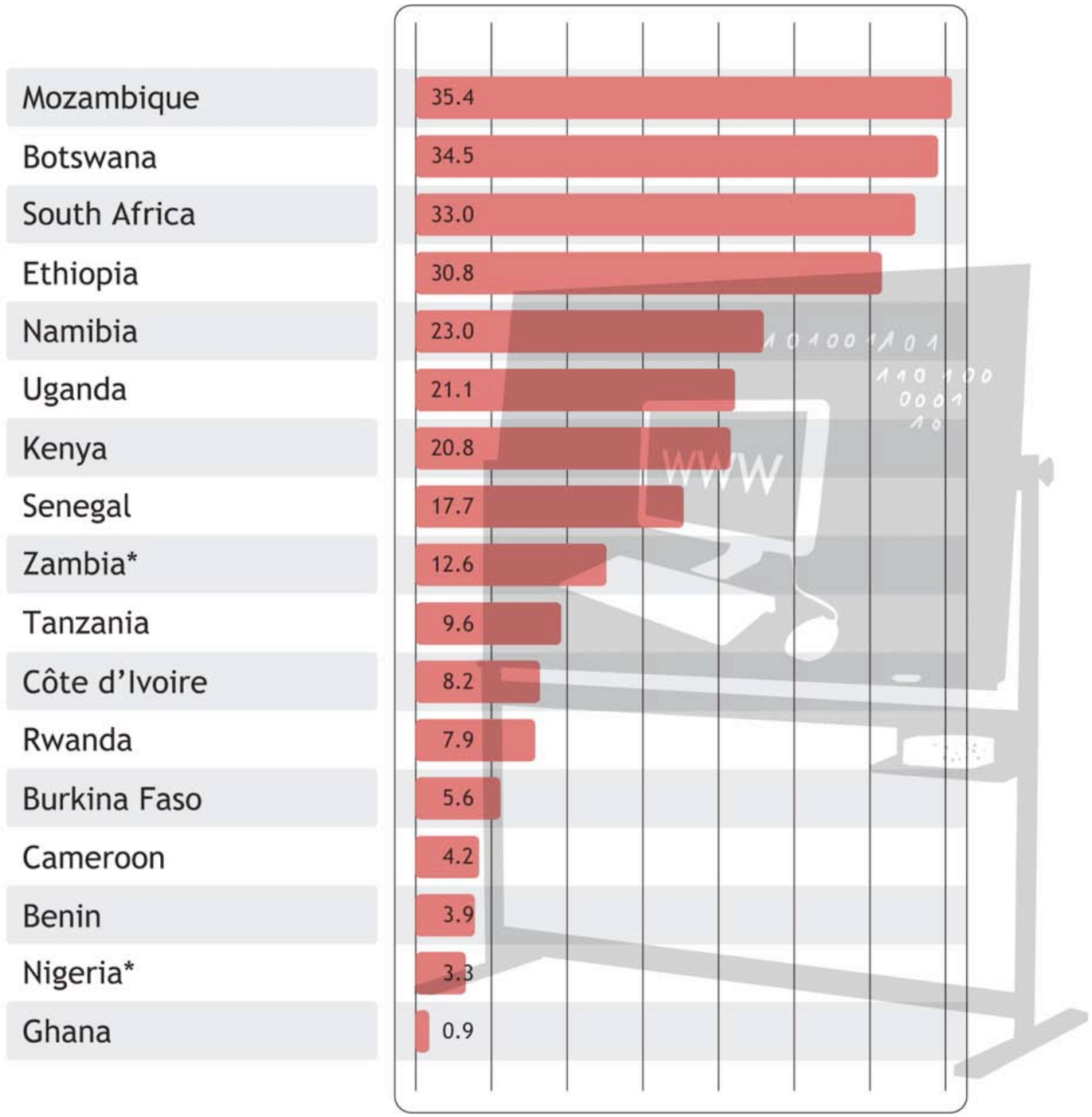
Individuals using Internet at school



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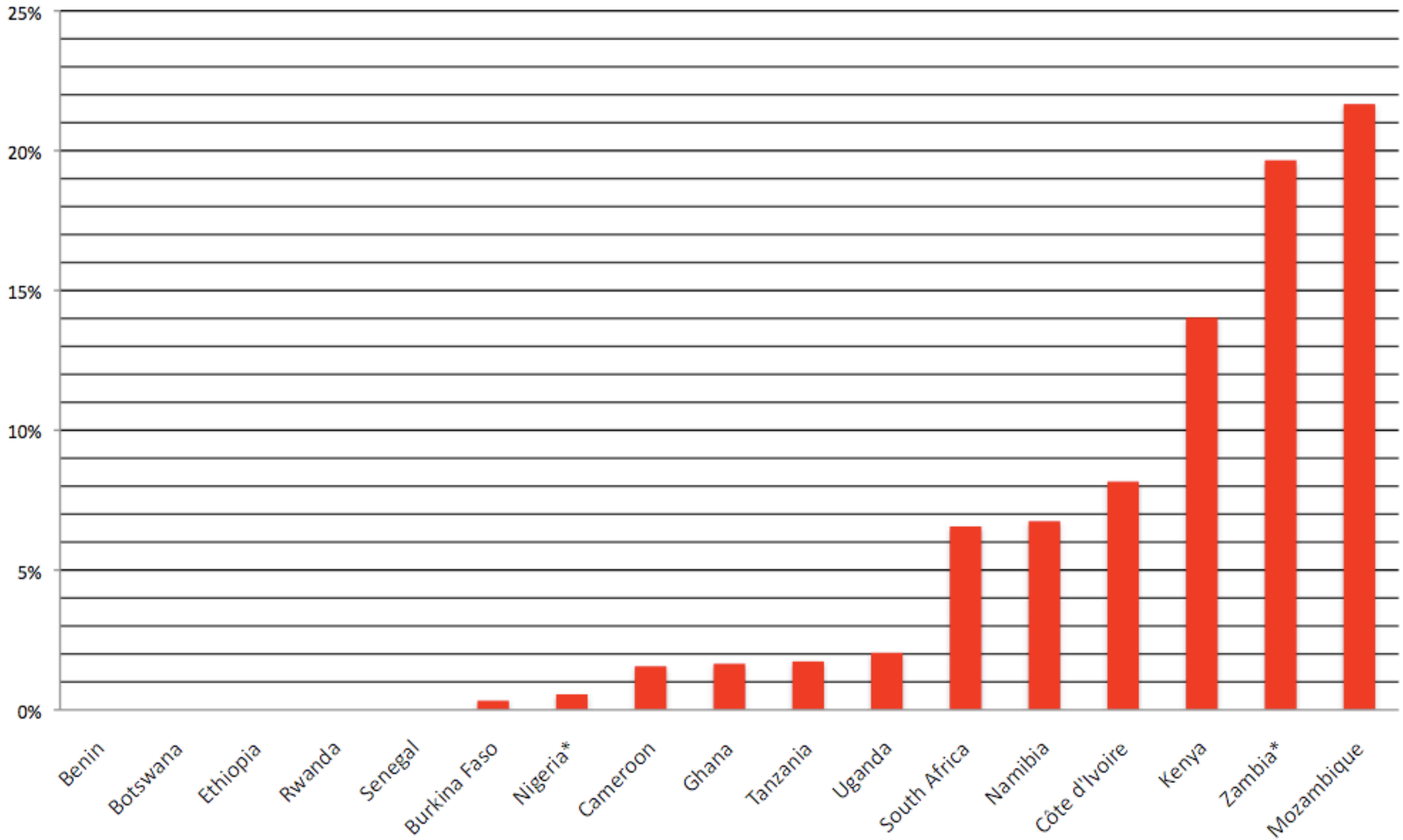
Percent of Internet users mobile phone to connect to the Internet



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Multichannel & New Media in Africa

- Multichannel - revenue to cost – reduce programming costs to maintain revenues
- Subscription/ DTH/Cable
- DTT - cost of migration from analogue, benefits of no legacy networks
- DBVH (mobile) - handsets
- IPTV – very limited broadband/ADSL

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- “the maintenance and promotion of cultural industries will require either alternative sources of funding or new ways to harness advertising money.” (Fitzpatrick, 2000)

Question for Africa?

- Whether to pursues an onerous regulatory protection regime in order to secure public interest delivery of services, which may not be enforceable in a new environment or whether to leapfrog to Model 3, with a more open access regime which embraces challenges of new technologies, with incentives for public interest broadcasting.

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